

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SPEARS WATER COMPANY FOR) CASE NO. 2001-116
AN ADJUSTMENT OF RATES)

ORDER

On May 7, 2001, Spears Water Company (“Spears”), pursuant to Administrative Regulation 807 KAR 5:001, Section 10(2),¹ provided written notice to this Commission of its intent to file a rate application. More than 5 months have passed since Spears provided its original notice, but no rate application has yet been filed.²

The purpose of Administrative Regulation 807 KAR 5:001, Section 10(2), is to ensure prompt and expeditious review of the rate applications of large utilities by allowing the Commission to prepare for immediate review of these applications upon their filing.

¹ 807 KAR 5:001, Section 10(2), states:

Notice of intent. Utilities with gross annual revenues greater than \$1,000,000 shall file with the commission a written notice of intent to file a rate application at least four (4) weeks prior to filing their application. The notice of intent shall state whether the rate application will be supported by a historical test period or a fully forecasted test period. This notice shall be served upon the Attorney General, Utility Intervention and Rate Division.

² We also note that Spears and the city of Nicholasville, Kentucky have filed with the Commission an application for approval of the transfer of Spears’ assets to the City of Nicholasville. See Case No. 2001-325, The Joint Application of the Spears Water Company, Inc. and the City of Nicholasville for Approval of an Asset Purchase Agreement Whereby the City of Nicholasville Proposes to Acquire the Existing Water Distribution System of the Spears Water Company, Inc. Pursuant to the Provisions of KRS 278.020(4) and 807 KAR 5:001, Section 8 (filed Oct. 4, 2001).

Permitting long and indeterminate delays between the filing of a notice of intent and the actual filing of the rate application frustrates the purpose of this regulation.

Accordingly, the Commission finds that this docket should be closed for lack of prosecution and that Spears' notice of intent of filing is insufficient for any future rate application. In the event that Spears decides to proceed with the filing of a rate application, such filing should be preceded by a new notice of intent consistent with Administrative Regulation 807 KAR 5:001, Section 10(2).

IT IS THEREFORE ORDERED that:

1. Spears' notice of intent and this case are dismissed for lack of prosecution.
2. Spears shall comply with 807 KAR 5:001, Section 10(2), prior to filing a rate application with the Commission.

Done at Frankfort, Kentucky, this 22nd day of October, 2001.

By the Commission

ATTEST:

Deputy W. H. Fowler
Executive Director